

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 91 – SB 1172**

March 5, 2017

**SUMMARY OF BILL:** Requires an adult who receives food assistance to comply with and periodically submit proof of continuing compliance of meeting certain criteria in at least one of the following areas: work, community service, employment center classes, or full-time student requirements. Exempts a single parent with custody of a child under the age of 12 and adult recipients determined not to be an able-bodied person capable of compliance with the above listed requirements. Allows the Department of Human Services (DHS) to terminate a recipient who fails to comply after an opportunity for a hearing.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$8,600**

**Increase Federal Expenditures - \$8,600**

**Other Fiscal Impact --** The provisions of the bill could jeopardize federal funding if it is determined the state is noncompliant with federal law. The DHS reports that if someone is denied benefits that would otherwise be eligible by virtue of meeting general work requirements and requirements applicable to Able-Bodied Adults with Dependents, and such action is considered noncompliant with federal law, then the Department's federal funding, approximately \$1,909,112,700 in FY17-18, could be in jeopardy.

**Assumptions:**

- Based on information provided by the Department of Human Services, due to non-compliance with federal regulations regarding the general work requirement and requirements applicable to Able-Bodied Adults without Dependents, a portion or all of Supplemental Nutrition Assistance Program (SNAP) benefits could be at risk.
- The SNAP program is 100 percent federally funded and is dependent upon the DHS being in compliance with all federal program requirements.
- The proposed legislation adds an additional hearing requirement that would have to be developed by the DHS.
- In 2016, there were 262 appeal hearings for work requirement issues under current law. Assuming a ten percent increase in appeal hearings for the proposed legislation, the DHS would hear an additional 26 (262 x 0.10) appeal hearings per year. The estimated cost per appeal is \$664.

- The total increase in expenditures is estimated to be \$17,264 (26 appeals x \$664). These funds will receive a federal administrative match rate of 50 percent resulting in 50 percent being state funds.
- The total increase in state expenditures is estimated to be \$8,632 (\$17,264 x 0.50).
- The total increase in federal expenditures is estimated to be \$8,632 (\$17,264 x 0.50).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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